**Southern Company**

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**Long-Term Firm Rollover Rights (OATT 2.2) Formal Comments**

Southern Company supports the flexibility set forth in the draft WEQ 001-020 business practice standard that permits a Transmission Provider to implement its own competition process as it relates to competing for long-term, unexercised rollover rights. Transmission Providers across the nation plan their transmission systems and evaluate services for long-term rollover rights in many different ways.

FERC has never prescribed one way to process long-term rollover requests and related competing requests. In fact, FERC has plainly stated on many occasions that “the Commission has never found that there is only one way to process rollover requests” (Tenaska Power v MISO, EL04-43 and EL04-46; Cargill v SPP, EL08-9). Southern Company believes this is the reason FERC never directed NAESB to develop a business practice standard on long-term competition, but rather “…determined not to specify in [Order 888-A] the mechanics by which the right of first refusal will be executed for existing firm transmission arrangements” (Order 888-A, 62 Fed Reg 12274, p 12288). Therefore, FERC has not requested the development of this standard. However, if NAESB adopts this standard without allowing for an alternative competition process, then NAESB will be imposing a “one-size-fits-all” standard on all jurisdictional Transmission Providers (something FERC explicitly determined not to do). If adopted, these Transmission Providers would be required to implement this standard as a mandatory and enforceable requirement under FERC regulations since the NAESB standards are, with few exceptions, incorporated by reference into the pro forma Tariff (Order No. 676-H, 148 FERC P61205 RM05-5). Without the flexibility for a Transmission Provider to implement its own competition process, this standard would be contrary to FERC guidance.

For years, Transmission Providers have utilized their own business practices to address the processing of long-term rollover rights and some have gone so far as to insert the practices into their Tariffs. In many cases, customers have participated in the development of these processes and FERC staff is aware that these practices have been developed.

Southern Company believes that the Transmission Provider is in the best position to determine the most effective practice for its region and the flexibility afforded in this standard ensures that this can continue.

If flexibility in this standard is not acceptable to NAESB, then Southern Company believes that the industry would be better served to not have a NAESB standard related to this topic at all.